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Lawn&Garden Marketing™

JULY 1988

An Intertec publication

Cover story: Ready, set, Expo!

Commercial accounts • New engine designs

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Lawn&Garden Marketing™

The merchandising magazine for lawn, garden and leisure living products.

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Ready, set, Expo!

Whatever your means of transportation, get in it, get on it or get with it, but get there. The International Lawn, Garden & Power Equipment Expo this year offers more exhibits, events and activities than ever before. 6

Catering to commercial accounts

While some dealers think commercial accounts are more trouble than they're worth, others have found ways to fulfill their special needs and take advantage of the business opportunities they offer. 26

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Cover design by Kendall Young

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Did you know?

What do consumers look for when shopping for OPE? Fifty-seven percent want a good warranty or guarantee. Others want: price/affordability, 55 percent; safety features, 47 percent; easy maintenance, 45 percent; and high-quality construction, 44 percent.

Source: OPEI/1987-88 National Gardening Assn. annual survey by the Gallup organization.

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From the Editor

Approximately 97 percent of all U.S. households own a TV (which people watch, on average, seven hours per day); approximately 47 percent of all U.S. households now own a VCR as well.

Why is that important to you? Because every time someone buys a VCR, a television or rents a video movie, he may not be buying a lawnmower, tractor, tiller, snowthrower, shredder, logsplitter, vacuum or blower. And each time he watches that movie, he may not be out in his yard mowing, trimming or gardening. The fact of the matter is, those products—and retailers of those products—compete against you. That's important.

Though admittedly less than perfect, demographic information and other marketing statistics can provide valuable insight to retailers about who their customers presently are, who they are not and who they could be. Knowledge of such statistics can help a smart retailer exploit his marketing niche or uncover a new marketing niche.

Thanks to the efforts of and funding by The Outdoor Power Equipment Institute, this industry now has the most comprehensive marketing data available on OPE customers today. The OPEI has spent nearly one year surveying OPE customers and identifying buying patterns: who bought what, why, when and, perhaps most importantly to you, where they bought it.

Based on a sample of 275,000 U.S. households, the results of this consumer research will be presented in a seminar at the International Lawn, Garden and Power Equipment Expo in Louisville. Titled "Using information about OPE customers to increase your profits," the seminar will be delivered by George Griffin, vice president of Industrial Marketing Research.

Results from The National Gardening Assn. Annual Survey by the Gallup Organization already show us that, statistically speaking, 59.9 million households, or 67 percent, own at least one type of outdoor power equipment: the top five pieces are gas-powered walk-behinds, chainsaws, string trimmers, garden tillers and power edgers. And in 1987 alone, 25 percent, or 18 million households, purchased a piece of power equipment.

Further results show us that, demographically speaking, power equipment ownership is highest among households 30 years of age and older, college-educated households, those with professional and business occupations, households with annual incomes of $30,000 and over, married households and suburban and rural households.

Statistics gathered from the IMR study will add to that information by providing a current profile of the lawn and garden buyer for each product category and break out the information by region and state (which should be especially beneficial to distributor attendees).

But as the saying goes, "A little knowledge is a dangerous thing." Without knowing how to apply the knowledge to your business, statistics can be useless—or worse, misused. To avoid such a possibility, the Expo seminar has been devised to provide marketing statistics and examples for retailers to apply the knowledge to marketing strategies and product selection.

In short, I urge you to attend.

Susan L. Anderson

Lawn&Garden Marketing

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Feedback

Compiled by Gina Kellogg Hogan, *associate editor*

Although OPE dealers surveyed in the March 1988 *Lawn & Garden Marketing* questionnaire say that commercial accounts are often the most demanding and time-consuming accounts to handle, they also state that the accounts are worthwhile and create good business opportunities—as well as offer good repeat business. (See "Catering to commercial accounts," page 26.)

Based on 127 responses, the results indicate that most of those involved in selling to professional accounts—95.3 percent—agree that commercial accounts are a "worthwhile part of our business" and that "growth in commercial business is excellent." Many did add, however, that "commercial customers are the most taxing on a service department."

Most of the respondents who cater to professional accounts own one store—83.4 percent—with a median annual sales volume of $348,000. A median of 21.4 percent of annual sales are derived from commercial accounts by the respondents in this field.

Most respondents—67.8 percent—said they actively pursue commercial accounts and that of the commercial accounts they pursue, government accounts are of the highest priority. Nearly 92 percent of respondents said they sell to government accounts.

Respondents appreciate the convenience of buying from a manufacturer who offers both a professional and a consumer line. Nearly 83 percent said they thought that manufacturers who provide equipment for both aspects of the business were helpful.

The types of commercial equipment that were sold and serviced by respondents varied from large pieces of power equipment to accessories. As would be expected, almost all of the respondents sold what they serviced. The most often-sold pieces of power equipment were walk-behind lawnmowers and trimmers/brushcutters; 93.4 percent of the respondents sold these two items.

As far as the individual numbers for the individual units, on walk-behinds, 95.9 percent of the respondents sold and/or serviced the units. More specifically, just over 93 percent sold walk-behinds, and 88.4 percent serviced them.

Nearly 87 percent sold and/or serviced tractors and attachments; 84.3 percent individually sold and 80.2 percent individually serviced. For accessories, such as bags, 86.6 percent sold and/or serviced. For batteries, it was 96 percent; replacement parts, 93.4 percent; and chains for snow season, 61.2 percent.

Eighty-seven percent sold and/or serviced chainsaws; 83.5 percent sold, and 79.3 percent serviced. On blowers, 90.9 percent sold and/or serviced; 89.3 percent sold, and 81 percent serviced. On trimmers/brushcutters, 95 percent sold and/or serviced; 93.4 percent sold, and 85.1 percent serviced.

Comments by respondents on dealing with commercial accounts varied from extremely positive to extremely negative.

We don't pursue commercial business. Most (customers) are price shoppers who want *bottom, bottom* price and *first-in-line* service, after seriously abusing equipment. Our accounts are smaller commercial users—*Nels Nelsen, Nelsen's Mower & Saw Inc., Kenosha, Wis.*

It is a very hard business, as at times you bid against your distributor, and he can bid lower than we can. It is a small profit margin for dealers—*Al Vogele, Engine Shed, Rapid City, S.D.*

We could not survive without commercial accounts. Consumers see what commercial companies use for equipment; if they want good equipment, they see us. Commercial business is always there, especially municipal accounts—*Kent Evans, Romney Implement Co., El Paso, Texas*

It is a love/hate relationship. You have to use the commercial account systems. The basic rule is to be sure to make money; usually the service sells the product—*Daniel Coleman, McGuckin Hardware, Boulder, Colo.*

It is unfortunate, but some dealers in my area give away their products to commercial customers, while I try to hold my price, pointing out service and discounts—*Jack Mrozinski, Earth & Turf Inc., Stevens Point, Wis.*

Servicing the commercial cutter provides a valuable source for "word of mouth" advertising; when they are satisfied with your work, they don't hesitate to recommend your services to their clients—*Robert Eklund, Eklund's Small Engine Service, Inglis, Fla.*

We are relatively new and take our business where we can get it. I find agricultural (farmers) accounts to be as demanding in turn-around times as commercial. Agricultural units, engines, etc., are usually not as well cared for by the customer—*Leonard Gardner, Gardner's Saw Shop, Avoca, N.Y.*

We have 90 percent of commercial business in our area, due to the reputation for quality products and excellent service—*Larry B. Fleis, Lark Lawn & Garden, Grawn, Mich.*

We just started actively pursuing commercial accounts, so right now we only have a few (about 7-10). But we are anticipating it to grow rapidly. We have already expanded this year—*Bob Pocius, Twins Mower, Twinsburg, Ohio.* **—LGM**

Professional accounts

Percentage of annual sales that commercial accounts represent of respondents who are involved in the business:

Percentage of annual sales	Total	Percentage of annual sales	Total
Less than 10%	26.5	25% to 49%	15.7
10% to 14%	11.6	50% or more	16.5
15% to 24%	5.0	No answer	24.7

Source: *Lawn & Garden Marketing* March 1988 questionnaire.

Retail Marketplace

EPA bans diazinon pesticides

The use of diazinon pesticides on golf courses and sod farms has been banned by the administrator of the Environmental Protection Agency. The action was taken in response to a concern that widespread and continued use of the pesticide is a hazard to birds.

Hearings were held for more than a year in which scientific evidence on benefits and risks was presented. The Final Cancellation Order, signed in March, prohibits the distribution and sale of all products containing diazinon that are labeled for use on home lawns, turf or grass, except for those home-use products whose labels contain a statement that indicates that the product must not be used on golf courses or sod farms; home-use products with such labels can be sold.

The order also specifically prohibits the use of any pesticide product containing diazinon on golf courses or sod farms.

In other news, the EPA banned the anti-termite pesticides chlordane and heptachlor. Shown to cause cancer in laboratory animals, chlordane and heptachlor were removed from store shelves in April.

"Safe" interpreted differently by consumers

The meaning of the word "safe" on plant food packaging is not agreed upon by consumers, according to a *Better Homes and Gardens* survey.

When asked what the word meant when used on plant food packaging, 50 percent of the respondents thought it meant the product was safe for plants; 40 percent thought it meant safe for people and pets; and 27 percent thought it meant safe for the environment.

These results are from a survey of a specific segment of *BH&G* readers but are not necessarily typical of consumers as a whole. The survey was based on 421 (out of 500) questionnaires that *BH&G* sent to subscribers.

What "safe" means to *BH&G* readers*

Responses of *Better Homes and Gardens* subscribers when asked what "safe" meant on plant food package:

50% Safe for plants

40% Safe for people and pets

27% Safe for the environment

*Based on respondents to *Better Homes and Gardens* Consumer Panel survey of subscribers.

Newly formed Garden Council approves plans, marketing strategies for 1989

Two marketing programs will be supported in 1989 by the newly formed Garden Council: National Garden Month and Fall is for Planting.

Many supporters of National Garden Week believe a lack of an industry-wide effort to promote it has prevented it from drawing the attention it merits. Garden Council president Gordon Bailey Jr. says the group chose to support the entire month of April instead of just one week because "a specific week for the whole United States doesn't fit well." The second week of April is the week set aside for promotion by the federal government.

THE GARDEN COUNCIL

As Bailey explains it, spring is different in the South than it is is the North, and the week that works for one might not work for the other. "A *month* fits national promotion better," he says.

When asked if the Council planned to encourage the U.S. House of Representatives and the U.S. Senate to pass a bill that officially designates April as National Garden Month, Bailey says he thinks it is an "idea worth entertaining." While Bailey says he wasn't aware of the Outdoor Power Equipment Institute's drive to proclaim April as National Outdoor Power Equipment Safety Month, he says he doesn't feel that the two will compete for consumers' attention.

The Council also will work on the continuation of the "Fall is for Planting" campaign. "We're not going to reinvent the wheel," says Bailey. "We plan to build on what has already been done."

Frank's/Flower Time recognize vendors

Frank's Nursery & Crafts and Flower Time Inc., Detroit, operating units of General Host Corp., awarded plaques to 12 garden and craft vendors for outstanding sales volume and exemplary service.

Lawn and garden vendors honored included Greenview Lawn and Garden Products, Hyponex Corp., Monrovia Nursery Co., New England Pottery, Chevron Chemical/Ortho and True Temper Corp. Frank's operates 248 stores.

Hyponex L&G business sold to Scott

The O.M. Scott & Sons Co., Marysville, Ohio, has announced its purchase of the lawn and garden business of Atlanta-based Hyponex Corp. Scott paid $14 a share, for a total of about $72.8 million. The Hyponex line includes organic soils for indoor and outdoor use, decorative mulches, plant care products and lawn fertilizers. Scott has a consumer DIY line of fertilizers, seed, spreaders, tools and watering products.

Briefs

- Currently undergoing major revisions, hardiness maps—the maps that say where and when in North America plants can be planted with reasonable hope of success—will be more helpful to retailers in the future. Henry Cathey, U.S. National Arboretum director, says the maps are out of date and based on data from 1930. New maps will be computerized and include other information, such as locations of city "heat islands."

- **Chevron Chemical Co.**, San Francisco, and **Suzuitomo Chemical Co. Ltd.**, Japan, signed a joint-venture agreement creating a new company to develop and market agricultural chemical products in the United States. The new company, Valent U.S.A. Corp., will be based in Walnut Creek, Calif.

- **Dayco Products Inc.**, Dayton, Ohio, makers of YardMate garden hose, announced its plans to move to North Charleston, S.C. The headquarters will move into temporary facilities in North Charleston by spring 1989; a permanent building is scheduled for completion in 1991, at which time the research and development center, now in Springfield, Mo., will relocate.